

10/12/06

Potential Interests in Slaughter Industry

In the process of soliciting requests for proposals (RFP) in the last year several entities and individuals expressed interest and inquired about MMM&S. These inquiries did not fit the parameters of the 2006 RFP but may possibly be responsive broader RFP that the Board of Agriculture and Conservation requested on Sept 27, 2006. The identities of the entities and individuals inquiring about MMM&S are held in confidence to protect their interests should they choose to respond to a future MMM&S RFP.

1. A butcher with a USDA kill floor and retail outlet north of the Alaska Range would like to have a retail outlet in this area. He has proposed to privately manage the MMM&S business and purchase and slaughter local animals for retail sales yielding higher returns for producers while increasing profitability for MMM&S which is currently limited to wholesale sales. He would like an option to purchase at the end of three years.
2. A retail chain in Korea has sent agents to Alaska several times and is interested in using MMM&S to slaughter up to 15,000 animals a year to export fresh meat by air to markets in Korea under the Kobe Beef label. Their proposal has included importing feeder stocks from Canada and requests to the state to provide acreage for grazing and capital improvements to MMM&S. They have also indicated interest in continuing to service local slaughter needs.
3. A land owner neighbor to MMM&S has proposed, in exchange for the existing property, to finance a smaller slaughter plant adequate for current slaughter needs if the State would provide adequate and appropriate land on which to build a new facility.
4. A business that currently provides mobile slaughter services in the Mat Su Valley has indicated interest in upgrading their services to USDA standards if MMM&S closes. They have studied a similar mobile model that is functioning profitably in Washington State and have already invested in some equipment necessary for such an upgrade.